

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: January 24, 2007

Bill Number: S.B. 306

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Committee Requesting Impact: Senate Finance Committee

Bill Summary

A bill to amend Act 200 of 2002 establishing the South Carolina Conservation Bank Act and providing sources of revenue for the bank, so as to increase from twenty-five cents to forty-five cents the portion of each one-dollar thirty-cent state deed recording fee that must be credited to the South Carolina Conservation Bank Trust Fund.

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund documentary stamp tax revenue by an estimated \$20,000,000 in FY2007-08.

Explanation

This bill would amend Section 3 of Act 200 of 2002 by amending Section 12-24-90(B)(3) by increasing the state's portion of the deed recording fee that is allocated to the South Carolina Conservation Bank Trust Fund from twenty-five cents to forty-five cents in FY2007-08. Pursuant to Section 12-24-10 of the S.C. Code of Laws, a recording fee is imposed upon the transfer of realty to another person at the rate of \$1.85 per each \$500 of the realty's value. According to Section 12-24-90, of the \$1.30 per each \$500 of the realty's value that is credited to the state, \$1.00 is credited to the state General Fund. Of this amount, 25-cents must be credited to the S.C. Conservation Bank Trust Fund pursuant to Section 12-24-95. Based upon the BEA's General Fund revenue forecast made on November 9, 2006, an estimated \$24,041,400 will be credited to the Conservation Bank Trust Fund in FY2007-08. This bill would increase the allocable share that the Conservation Bank receives from the Documentary Stamp Tax from 25-cents to 45-cents of the \$1.00 fee that is credited to the state General Fund in FY2007-08. This would result in an additional \$20,000,000 of deed recording fee revenue to be transferred from the state's General Fund to the S.C. Conservation Bank Trust Fund in FY2007-08. This bill would take effect on July 1, 2007.

/s/ WILLIAM C. GILLESPIE, PH.D.

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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.